

## **FISCAL NOTE**

### **SB 2992 - HB 4082**

March 3, 2008

**SUMMARY OF BILL:** Requires the Department of Labor and Workforce Development (LWFD), in conjunction with the Department of Environment and Conservation (TDEC), to promulgate rules establishing and enforcing standards of indoor air quality. Such rules would take effect January 1, 2010.

#### **ESTIMATED FISCAL IMPACT:**

**Increase State Revenue - \$200,000/FY09-10**  
**\$400,000/FY10-11 and Thereafter**  
**Increase State Expenditures - \$2,275,600/One-Time**  
**\$596,300/FY08-09**  
**\$616,300/FY09-10**  
**\$636,300/FY10-11 and Thereafter**  
  
**Increase Local Expenditures\* - Exceeds \$9,500,000/One-Time**

#### **Assumptions:**

- An increase in state revenue estimated to be approximately \$400,000. Such increase is based upon increased penalty revenue to the state arising from approximately 500 penalties annually at an average of \$800. During the first fiscal year (FY09-10) such increase is assumed to be \$200,000. This is half of the impact for a full year due to the January implementation date of the air quality standards.
- A one-time increase in state expenditures estimated to be approximately \$2,000,000 for LWFD to contract with a university or private firm for a study to set defensible air quality exposure limits.
- A recurring increase in state expenditures of approximately \$40,000 annually to analyze at least 200 samples at a cost of \$200 each. It is assumed that due to the January air quality standard implementation date, the FY09-10 expenditures associated with sample analysis will be \$20,000 which is half of the normal full fiscal year expenditure.
- Any cost to LWFD to promulgate rules and regulations is estimated to be not significant.
- LWFD will require 10 Industrial Hygienists to conduct inspections. The recurring increase in state expenditures for these positions is estimated

to be approximately \$540,300 for salary (\$339,000), benefits (\$115,300), travel (\$30,000), printing (\$3,000), office space (\$27,000), phones (\$6,000), office supplies (\$3,000), network connections (\$12,000), and an annual contribution to the equipment replacement fund (\$5,000). One-time increases in state expenditures for office landscaping (\$36,000), PC's (\$20,000), training (\$180,000), and sampling equipment (\$34,000) associated with such positions are estimated to be approximately \$270,000.

- TDEC will require one additional environmental protection specialist. The recurring increase in state expenditures for this position is estimated to be \$56,000. Such increase is for salary (\$35,400), benefits (\$12,000), travel (\$3,000), printing (\$300), office space (\$2,700), a phone (\$600), office supplies (\$300), a network connection (\$1,200), and an annual contribution to the equipment replacement fund (\$500). One-time increases in state expenditures for office landscaping (\$3,600) and a PC (\$2,000) are estimated to be \$5,600.
- Local governments will be required to upgrade their ventilation systems to comply with the air quality standards. The one-time cost to each county is estimated to exceed \$100,000. Therefore the total cost to local governments is estimated to exceed \$9,500,000 (95 counties x \$100,000).

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

## **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/cce